

CITY COUNCIL AGENDA ITEM COVER MEMO

Agenda Item Number: 15.4.

Meeting Type: Regular

Meeting Date: Dec 3, 2015

Action Requested By: Administration

Agenda Type: Resolution

Subject Matter:

Project Development Agreement.

Exact Wording for the Agenda:

Resolution authorizing the Mayor to enter into a Project Development Agreement among the City of Huntsville, General Electric Company, and Advanced Silicon Carbide Fibers, LLC.

Note: If amendment, Please state title and number of the original

Item to be considered for: Action

Unanimous Consent Required: No

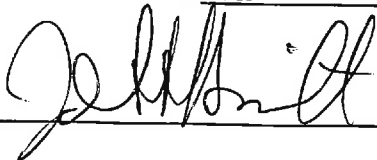
Briefly state why the action is required; why it is recommended; what council action will provide, allow and accomplish and; any other information that might be helpful.

Associated Cost: _____

Budgeted Item: _____

MAYOR RECOMMENDS OR CONCURS: Yes

Department Head: _____



Date: _____

12/1/15

RESOLUTION NO. 15-_____

WHEREAS, the City of Huntsville, (the "City"), wishes to enter into a Development Agreement by and among the City, General Electric Company and Advanced Silicon Carbide Fibers, LLC; and

WHEREAS, the City Council of the City of Huntsville, Alabama, hereby recites that the City's obligations under the Development Agreement are being undertaken pursuant to the authority of Amendment 772 to the Constitution of Alabama of 1901, as amended, recodified as Section 94.01 of the Official Recompilation of the Constitution of Alabama of 1901 ("Amendment 772"), that such obligations are being undertaken by the City in furtherance of any power or authority authorized in Amendment 772, and that the City Council has determined that the expenditure of public funds for the purpose specified in the Development Agreement will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Huntsville, Alabama, does hereby declare that the Mayor be and he is hereby authorized to execute on behalf of the City a Project Development Agreement (the "Development Agreement") by and among the City, General Electric Company and Advanced Silicon Carbide Fibers, LLC, said agreement to be acknowledged and agreed by Madison County, Alabama and Limestone County, Alabama, which said agreement is attached hereto consisting of forty (40) pages, including Exhibits, and the date of December 3, 2015, appearing on the margin of the first page thereof together with the signature of the President or President Pro Tem of the City Council, an executed copy of said agreement being permanently kept on file in the Office of the City Clerk-Treasurer of the City; and

ADOPTED this the 3rd day of December, 2015

President of the City Council of
the City of Huntsville, Alabama

APPROVED this the 3rd day of December, 2015

Mayor of the City of
Huntsville, Alabama

PROJECT DEVELOPMENT AGREEMENT

THIS PROJECT DEVELOPMENT AGREEMENT (this "Agreement") is hereby made and entered into on _____, 2015 (the "Effective Date") by and between the **CITY OF HUNTSVILLE, ALABAMA**, an Alabama municipal corporation (the "City"), **GENERAL ELECTRIC COMPANY**, a New York corporation ("GE"), and **ADVANCED SILICON CARBIDE FIBERS, LLC**, a Delaware limited liability company ("ASCF," and together with GE, the "Companies" and, from time to time individually, a "Company"). The City, GE, and ASCF are herein together sometimes referred to collectively as the "Parties" and, individually, as a "Party".

RECITALS

WHEREAS, GE, acting through its aviation operation unit, heretofore determined to locate an industrial facility to conduct certain manufacturing operations including, without limitation, the production of engines, components and engine materials for commercial and military aircraft (the "Project"); and

WHEREAS, GE identified various locations throughout the United States as potential sites for the Project including, among several others, the City, each of which offered certain incentives to GE to locate the Project within their respective jurisdictions; and

WHEREAS, GE expects that the first Phase of the Project ("Phase I") will create 200 new jobs and require an initial capital investment of \$136,000,000 and the second Phase of the Project ("Phase II") will create 98 new jobs and require an initial capital investment of \$57,000,000; and

WHEREAS, GE is the sole member of ASCF, and has determined that ASCF will be the operator of Phase II; and

WHEREAS, in order to cause the Companies to locate the Project within the City and perform their commitments hereunder, the City is willing to (i) make available an industrial site for the Project consisting of that certain parcel of real property aggregating approximately 100 acres, as more particularly described in **EXHIBIT A** hereto (the "Project Site"), at a cost to GE of \$500,000, (ii) cause the abatement of the following taxes in favor of the Companies and, if applicable and requested by GE, a third-party developer designated by GE (the "Third-Party Developer"): (a) the maximum allowable abatement of non-educational sales and use taxes and mortgage and recording taxes with respect to the Project, and (b) the abatement of non-educational ad valorem taxes with respect to the Project for a period of 10 years from the October 1st following the C.O. Date (hereinafter defined), and (iii) provide certain public roadway improvements at no cost to the Companies, all as more particularly set forth and described herein; and

WHEREAS, the Madison County Commission ("Madison County") and the Limestone County Commission ("Limestone County") have committed to the City to remit to The Industrial Development Board of the City of Huntsville (the "IDB"), as agent for the City, \$500,000 and \$100,000, respectively, to cover a portion of the purchase price of the Project Site; and

WHEREAS, the City has determined that the location of the Project at the Project Site, through the provision of the incentives and agreements herein set forth, would be in the best interest of the City and its citizens by: (i) promoting, improving and expanding economic and industrial development; (ii) increasing the number and diversity of industrial jobs and related employment opportunities; (iii) enabling the local area to better retain, attract and locate other industrial enterprises; (iv) expanding the overall tax base of the City; and (v) enhancing the overall quality of life for the citizens of the City; and

WHEREAS, the development of the Project at the Project Site will further assist in the expansion of economic developments that are critical to the sustained economic health and well-being of the City and the surrounding areas, and the City accordingly finds that providing financial assistance for the Project as described in this Agreement is being made under and in furtherance of any power and authority authorized by Amendment 772 to the Constitution of Alabama of 1901 (the "Alabama Constitution"), and the City has determined that the expenditure of public funds for the purposes herein specified will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities; and

WHEREAS, each of Madison County and Limestone County has (a) determined that the location of the Project at the Project Site, through the provision of the incentives and agreements herein set forth, would be in the best interest of such county and its citizens by (i) promoting, improving and expanding economic and industrial development, (ii) increasing the number and diversity of industrial jobs and related employment opportunities, (iii) enabling the local area to better retain, attract and locate other industrial enterprises, (iv) expanding the overall tax base of the county, and (v) enhancing the overall quality of life for the citizens of such county; (b) determined that the development of the Project at the Project Site will further assist in the expansion of economic developments that are critical to the sustained economic health and well-being of such county and the surrounding areas, and such county accordingly finds that providing financial assistance for the Project as described in this Agreement is being made under and in furtherance of any power and authority authorized by Amendment 772 to the Alabama Constitution, and (c) determined that the expenditure of public funds for the purposes herein specified will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby covenant, agree and bind themselves as follows:

ARTICLE I

REPRESENTATIONS AND WARRANTIES

Section 1.1 Representations and Warranties of the City. The City hereby makes the following representations and warranties:

(a) The City, by action of its governing body, has duly authorized the execution, delivery and performance of this Agreement.

(b) Neither the authorization, execution and delivery of, nor the performance of, this Agreement by the City, violates, constitutes a default under or a breach of (i) any agreement, instrument, contract, mortgage, ordinance, resolution or indenture to which the City is a party or to which the City or its assets or properties are subject; or (ii) any law, judgment, decree, order, ordinance, rule, regulation, consent or resolution applicable to the City or any of its assets or properties.

(c) There is not now pending nor, to the knowledge of the City, threatened, any litigation affecting the City which questions (i) the validity or organization of the City, (ii) the members, titles or positions of the members of the governing body or the manner in which the officers of the City are selected, or (iii) the subject matter of this Agreement.

(d) Pursuant to that certain Option to Purchase Real Estate by and between Chase & Cook Partners, an Alabama general partnership (the "Underlying Seller"), and the City, dated September 2, 2015 (the "Option Agreement"), the City has an irrevocable right to acquire fee title to the Project Site through February 29, 2016 provided the City exercises the option on or before December 31, 2015, and the City has the power and authority to assign its rights under the Option Agreement to the IDB so that the IDB may acquire from the Underlying Seller and transfer the Project Site as contemplated in Section 3.1.

(e) The Project Site will be appropriately zoned or re-zoned prior to December 31, 2015, to accommodate the construction, occupancy, use and operation by the Companies as contemplated by the terms set forth in the attachment to that certain letter from the City's Planning Department, dated September 21, 2015, a copy of which is attached hereto as **EXHIBIT B**.

Section 1.2 Representations and Warranties of GE. GE hereby makes the following representations and warranties:

(a) GE is duly organized and validly existing as a corporation under the laws of the State of New York and has duly authorized its execution, delivery and performance of this Agreement.

(b) Neither the execution and delivery of this Agreement, nor the performance hereof, by GE requires any consent of, filing with or approval of, or notice to, or hearing with any person or entity (including, but not limited to, any governmental or quasi-governmental entity), except for such consents, filings, notices and hearings described herein, or already held or maintained.

(c) Neither the authorization, execution and delivery of, nor the performance of, this Agreement by GE, violates, constitutes a default under or a breach of (i) GE's certificate of incorporation or other organizational documents of GE, (ii) any agreement, instrument, contract, mortgage or indenture to which GE is a party or to which GE or its assets are subject, or (iii) any judgment, decree, order, ordinance, regulation, consent or resolution applicable to GE or any of its assets.

(d) There is not now pending nor, to the knowledge of GE, threatened, any litigation affecting GE which questions the validity or organization of GE, or any of the representations and warranties of GE contained herein.

Section 1.3 Representations and Warranties of ASCF. ASCF hereby makes the following representations and warranties:

(a) ASCF is duly organized and validly existing as a limited liability company under the laws of the State of Delaware, has duly authorized its execution, delivery and performance of this Agreement, and its sole member is GE.

(b) Neither the execution and delivery of this Agreement, nor the performance hereof, by ASCF requires any consent of, filing with or approval of, or notice to, or hearing with any person or entity (including, but not limited to, any governmental or quasi-governmental entity), except for such consents, filings, notices and hearings described herein, or already held or maintained.

(c) Neither the authorization, execution and delivery of, nor the performance of, this Agreement by ASCF, violates, constitutes a default under or a breach of (i) ASCF's certificate of incorporation or other organizational documents of ASCF, (ii) any agreement, instrument, contract, mortgage or indenture to which ASCF is a party or to which ASCF or its assets are subject, or (iii) any judgment, decree, order, ordinance, regulation, consent or resolution applicable to ASCF or any of its assets.

(d) There is not now pending nor, to the knowledge of ASCF, threatened, any litigation affecting ASCF which questions the validity or organization of ASCF, or any of the representations and warranties of ASCF contained herein.

ARTICLE II

OBLIGATIONS AND COMMITMENTS OF THE COMPANIES

Section 2.1 Commencement of Construction and Commencement of Operations. The Companies acknowledge that the citizens of the City anticipate the receipt of economic benefit to their local economy in return for the investment of public money in the Project as herein set forth, and the Companies agree to diligently prosecute the development, construction and equipping of the Project, directly or indirectly, by:

(a) Using their commercially reasonable good faith efforts to Commence Construction of Phase I at the Project Site not later than July 31, 2016, and Commencing Operations of Phase I at the Project Site not later than September 30, 2018; and

(b) Using their commercially reasonable good faith efforts to Commence Construction of Phase II at the Project Site not later than December 31, 2016, and Commencing Operations of Phase II at the Project Site not later than June 30, 2019.

Section 2.2 Capital Commitment. The Companies will develop, construct and equip the Project as they deem necessary and appropriate, in their sole discretion, so as to be suitable for

the operation of the Project, and in connection therewith shall invest, directly or indirectly, approximately \$136,000,000 of Capital Costs on Phase I by the end of Project Year 7 and approximately \$57,000,000 of Capital Costs on Phase II by the end of Project Year 7 (the "Capital Commitment").

Section 2.3 Jobs Commitment.

(a) The Companies and their Affiliates agree to employ Full-Time Employees at the Project Site at an Average Hourly Wage of at least \$23.55 per hour (the "Minimum Average Hourly Wage") through Project Year 11, in accordance with the schedule attached hereto as **EXHIBIT C** (the "Jobs Commitment").

(b) For each Project Year, commencing with Project Year 2 through and including Project Year 11 (the "Jobs Commitment Period"), GE shall certify that the Companies have or have not met the Jobs Commitment for such Project Year by furnishing a certificate, signed by an executive officer or other authorized representative of GE, to the City on or before the date that is 120 days following the end of such Project Year. Such certification shall be in the form of **EXHIBIT D** hereto and contain all reasonable supporting information and materials as would enable the City to confirm the employment level (the "Certified Employment Level") and Average Hourly Wage (the "Certified Average Wage") so certified by GE for such Project Year. For each of Project Years 2 through 11, the Certified Employment Level shall be determined by calculating the sum of the number of Full-Time Employees employed at the Project on the last day of each month during the applicable Project Year and dividing that sum by 12.

Section 2.4 Additional Obligations and Commitments.

(a) The Companies hereby covenant and agree to cause any construction activities regarding the Project to be conducted in compliance with all applicable laws, ordinances, rules and regulations of any governmental authority, including, without limitation, all applicable licenses, permits, building codes, restrictive covenants, zoning and subdivision ordinances and flood, disaster and environmental protection laws. GE shall require, or if title to the Project Site is conveyed to ASCF or the Third-Party Developer such entity to require, any architect, general contractor, subcontractor or other business performing any work in connection with the Project to obtain all necessary permits, licenses and approvals to construct the same. It is understood and acknowledged that the City will not waive any fees, access fees, or related expenses for any permits, licenses or approvals that must be obtained from the City or any other governmental authority in connection with the Project.

(b) At all times during the Term, the Companies and any Third-Party Developer shall be in material compliance with all applicable laws, ordinances, rules and regulations of the City and, further, shall be current in payment of any and all taxes, fees, and other charges imposed by the City and all local government entities.

Section 2.5 Commitments in the Aggregate; Joint and Several Liability of each Company.

(a) The commitments made herein by the Companies shall be considered in the aggregate, *i.e.*, the total commitment shall be the combined amounts achieved by both Companies and the averages shall be across both Companies, so neither Company is responsible for any specific commitment but both Companies are jointly and severally responsible for the total commitment amount. In addition, commitments may be transferred between the Companies, so, for instance, a Full-Time Employee employed at the Project Site by one Company may be moved to the other Company and still be credited under this Agreement.

(b) Each Company hereby covenants and agrees to be jointly and severally liable for the obligations of the other Company hereunder.

ARTICLE III
CITY INCENTIVES; OBLIGATIONS OF MADISON COUNTY
AND LIMESTONE COUNTY

Section 3.1 The Project Site.

(a) In consideration of the Companies locating their industrial operations on the Project Site as aforesaid, making the capital investment to develop, construct and equip the Project, and hiring employees at the levels, and for the Minimum Average Hourly Wage, as set forth in this Agreement, the City shall cause the IDB to exercise the option described in Section 1.1(d) above prior to December 31, 2015 and convey the Project Site to GE or, if designated by GE as provided below, to ASCF or the Third-Party Developer, by statutory warranty deed, the form of which is attached hereto as **EXHIBIT E** (the "Deed"), for \$100.00 to be paid by GE. Title to the Project Site shall be conveyed subject only to those certain title exceptions listed in the Title Commitment. In the event the Project Site is to be conveyed to ASCF or to a Third-Party Developer, then GE shall execute and deliver a letter on GE letterhead directing the same and providing such other information as may be reasonable and customary (including, without limitation, electronic mail, telephone, and other relevant contact information) and, further, if such direction is for conveyance to be to the Third-Party Developer, specifying the legal name of the Third-Party Developer.

(b) In addition to the payment in Section 3.1(a) above, GE shall pay the City the sum of \$500,000 in connection with the transfer and conveyance of the Project Site (whether or not GE is the transferee of the Project Site) in annual installments of \$100,000, with the first \$100,000 installment to be made on the date on which a final certificate of occupancy is issued for the Project (the "C.O. Date"), and each \$100,000 installment thereafter to be made on the annual anniversary of the C.O. Date (each such payment by GE under this Section 3.1(b), a "Land Payment," and collectively the "Land Payments"); provided, if GE designates that title to the Project Site be conveyed to ASCF or the Third-Party Developer in accordance with Section 3.1(a) hereof, GE's obligation to make each Land Payment shall be extended an additional 30 days to allow GE an opportunity to arrange for ASCF or the Third-Party Developer, as the case may be, to make each Land Payment to the City on behalf of GE (it being the understanding of the Parties that any failure of ASCF or the Third-Party Developer to timely make such payment to the City

shall in no way relieve, excuse or otherwise modify the obligation of GE to timely make each Land Payment to the City). The City hereby designates the IDB as its agent to collect each Land Payment. If GE, ASCF or a Third-Party Developer acquires the Project Site pursuant to this Agreement, the Option Agreement Extension Payment (as hereinafter defined) shall be applied in satisfaction of the first Land Payment due under this Section 3.1(b). Land Payments can be prepaid, in whole or in part, at any time.

(c) In addition to the payments in Sections 3.1(a) and 3.1(b) above, GE shall pay the City \$100,000 (the "Option Agreement Extension Payment"), which the City shall, in turn, pay to the Underlying Seller as consideration for the Underlying Seller's agreement to amend the Option Agreement to extend the outside closing date thereunder to June 30, 2016. GE shall pay the Option Agreement Extension Payment to the City within 30 days from the date of execution of this Agreement, unless by the close of such 30-day period the Option Agreement has not been amended to extend the outside closing date thereunder to June 30, 2016 (the "Required Amendment"), in which case the Option Agreement Extension Payment shall be due by GE to the City within 7 days after GE receives notice of the execution of the Required Amendment (together with a copy of the executed Required Amendment). The City shall pay the Option Agreement Extension Payment to the Underlying Seller within 15 days of receipt by the City of the Option Agreement Extension Payment from GE. The City hereby designates the IDB as its agent to collect and receive the Option Agreement Extension Payment. Provided the City and the Underlying Seller amend the Option Agreement as provided in Section 5.2(g) of this Agreement, the Option Agreement Extension Payment shall be non-refundable.

Section 3.2 Tax Abatements. Each of the City and Limestone County shall use its commercially reasonable good faith efforts to cause the IDB to abate the following taxes in favor of the Companies (and, if applicable and requested by GE, the Third-Party Developer): (a) non-educational real and personal ad valorem taxes with respect to the Project for a period of 10 years from the October 1st following the C.O. Date; (b) state and local non-educational sales and use taxes on tangible personal property and taxable services incorporated into the Project, to the maximum extent allowable under Alabama law; and (c) deed, mortgage and all other similar recording taxes with respect to the Project, to the maximum extent allowable under Alabama law, whenever such taxes become due and payable.

Section 3.3 Public Roadway to Project Site. The City hereby agrees to provide the public roadway improvements set forth and described in **EXHIBIT F** (the "Roadway Improvements") at no cost to the Companies or the Third-Party Developer. The Roadway Improvements shall be located on land that the City will acquire from the Underlying Seller. The City shall use its commercially reasonable good faith efforts to cause the timely implementation and completion of the Roadway Improvements within 7 months from the date of execution of this Agreement. The City hereby agrees to work in good faith with GE and the Third-Party Developer (if GE designates that title to the Project Site be conveyed to the Third-Party Developer in accordance with Section 3.1(a) hereof) to provide reasonable temporary access to the Project Site as depicted on **EXHIBIT G** during the construction of the Roadway Improvements.

Section 3.4 Obligations of Madison County and Limestone County.

(a) Each of Madison County and Limestone County covenant and agree to pay to the IDB, as agent for the City and each of the aforesaid counties, the sum of \$500,000 and \$100,000, respectively, to cover a portion of the purchase price for the Project Site. Half of Madison County's payment (*i.e.*, \$250,000) and Limestone County's entire payment (*i.e.*, \$100,000) shall be remitted to the IDB at least 10 days prior to the date the City causes the IDB to exercise the option described in Section 1.1(d) of this Agreement to acquire and convey the Project Site to GE, or to ASCF or the Third-Party Developer if so designated by GE. The other half of Madison County's payment (*i.e.*, \$250,000) shall be remitted to the IDB on or before the first anniversary of the Project Site Possession Date.

(b) The City hereby represents and agrees that nothing in this Section 3.4 shall relieve, alter, diminish or otherwise modify the obligations of the City hereunder. Without limiting the generality of the foregoing, the failure of Madison County or Limestone County to comply with its obligations in Section 3.4(a) above shall in no way relieve, alter, diminish or modify the obligations of the City hereunder including, without limitation, the obligation of the City described in Section 3.1(a) to cause the IDB to purchase and convey the Project Site to GE, or to ASCF or the Third-Party Developer if so designated by GE.

ARTICLE IV

RECAPTURE OF THE CITY INCENTIVES BY THE CITY

Section 4.1 Company Shortfall Payments.

(a) To secure the full and timely performance by the Companies of the Jobs Commitment, GE hereby covenants and agrees to make payments to the City for each Project Year during which the Companies fail to satisfy the Jobs Commitment for such year, as follows.

(i) If, for any Project Year during the Jobs Commitment Period, the Jobs Commitment is not satisfied as a result of the Certified Employment Level being less than the "Minimum Employment Level" listed on **EXHIBIT C** hereof for such Project Year (an "Employee Shortfall"), then an amount equal to the Base Amount x (1 – (the Certified Employment Level for such Project Year / the "Target Employment Level" listed on **EXHIBIT C** hereof for such Project Year)) (such payment, an "Employee Shortfall Payment") shall become immediately due and payable from GE to the City.

(ii) If, for any Project Year during the Jobs Commitment Period, the Jobs Commitment is not satisfied as a result of the Certified Average Wage being less than the Minimum Average Hourly Wage (a "Wage Shortfall"), then an amount equal to the Base Amount x (1 – (the Certified Average Wage for such Project Year / the Minimum Average Hourly Wage)) (such payment, a "Wage Shortfall Payment") shall become immediately due and payable from GE to the City.

(iii) If the Jobs Commitment is not satisfied as a result of both an Employee Shortfall and a Wage Shortfall, then the payment owed by GE to the City shall be the greater of the Employee Shortfall Payment or the Wage Shortfall Payment (but not both).

(b) To secure the full and timely performance by the Companies of the Capital Commitment, GE hereby covenants and agrees to make a payment (the "Capital Shortfall Payment") to the City if the Companies fail to satisfy the Capital Commitment, subject to a 10% variance, as follows:

(i) If actual Capital Costs invested by the end of Project Year 7 are less than \$144,750,000, then an amount equal to \$3,500,000, less the amount of Land Payments made to the City as of the date of payment, less the total Employee Shortfall Payments and Wage Shortfall Payments made to the City as of the date of payment (the "Maximum Capital Commitment Recovery Amount"); or

(ii) If actual Capital Costs invested by the end of Project Year 7 are at least \$144,750,000 but not greater than \$173,700,000, then an amount equal to: (Maximum Capital Commitment Recovery Amount) x $(1 - (\text{actual Capital Costs invested by the end of Project Year 7} / \$193,000,000))$.

(c) Any payment owed by GE to the City hereunder shall be paid in immediately available funds and within a reasonable period of time not to exceed 75 days from the date of becoming due. Payments owed by GE and not paid to the City by such deadline shall bear interest at a per annum rate of 3.5%.

(d) The City hereby designates the IDB as its agent to collect any Employee Shortfall Payment, Wage Shortfall Payment, or Capital Shortfall Payment made by GE under this Section 4.1.

(e) In no event shall the total payments that may be due under this Section 4.1 exceed \$3,500,000, less the amount of Land Payments made to the City.

(f) The City may exercise its discretion with regard to the imposition of any clawback where circumstances warrant, including, but not limited to, the Companies' good faith efforts to perform their obligations under this Agreement or market/economic conditions.

Section 4.2 Non-Relocation. The Companies hereby understand, acknowledge and agree that the commitments of the City herein stated are being made primarily to realize the growth in employment including, without limitation, the creation of jobs as herein described at the Project, and that such objectives would not be fully realized should the Companies close or relocate substantially all of their operations from the Project Site from the date of execution hereof through December 31, 2026. If, for any reason whatever, the Project is closed or either of the Companies relocate all or substantially all operations conducted at the Project to a location outside the corporate limits of the City prior to December 31, 2026, then GE shall pay the City within a reasonable period of time not to exceed 45 days from the date of such relocation, in immediately available funds, an amount equal to \$3,500,000, less the amount of Land Payments made to the City as of the date of payment, less the total Employee Shortfall Payments, Wage Shortfall Payments, and Capital Shortfall Payments made to the City as of the date of such payment (the "Relocation Payment"). The Relocation Payment shall bear interest at a per annum rate of 5.0% if it is not paid to the City by the deadline stated in this Section 4.2. The City hereby designates the IDB as its agent to collect the Relocation Payment.

ARTICLE V
CONDITIONS PRECEDENT

Section 5.1 Conditions Precedent to the Obligations and Commitments of the City.

Anything in this Agreement to the contrary notwithstanding, the City shall not be obligated to perform its obligations hereunder, until:

- (a) The IDB shall have obtained fee simple title to the Project Site;
- (b) The City shall have received GE's executed counterpart of this Agreement, duly executed by a duly authorized officer or other designee of GE; and
- (c) The City shall have received ASCF's executed counterpart of this Agreement, duly executed by a duly authorized officer or other designee of ASCF.

Section 5.2 Conditions Precedent to the Companies' Obligations. Anything in this Agreement to the contrary notwithstanding, the Companies shall not be obligated to perform their obligations hereunder, until:

(a) The City or the IDB shall have delivered to GE the following (collectively, the "Due Diligence Information"): (i) by December 31, 2015, a title insurance commitment for the Project Site (the "Title Commitment") issued by Chicago Title Insurance Company or another nationally recognized title insurance company (the "Title Company") that GE approves, including copies of all recorded instruments, agreements and other matters referenced in the Title Commitment; (ii) by December 31, 2015, an ALTA survey of the Project Site (the "Survey") prepared by a surveyor licensed in Alabama, in form reasonably acceptable to GE, showing all matters disclosed in the Title Commitment and certified to GE, the Title Company and such other parties as GE designates; (iii) if the IDB is not the fee owner of the Project Site on the date of issuance of the Title Commitment, within 5 days after issuance of the Title Commitment, a copy of the Option Agreement and a copy of the agreement pursuant to which the City assigned its rights under the Option Agreement to the IDB evidencing the IDB's irrevocable right to acquire fee title to the Project Site and/or such other assurances as GE reasonably requests evidencing the ability of the IDB to convey title to the Project Site; and (iv) within 5 days after written request, such other information relating to the Project Site as GE reasonably requests (provided the information is in the custody or control of the City or the IDB);

(b) The City or the IDB shall have allowed (or caused the Underlying Seller to allow) GE and the Third-Party Developer (if the Third-Party Developer is acquiring title to the Project Site) such access to the Project Site as GE and the Third-Party Developer require to perform environmental, geotechnical and other inspections, investigations, and assessments of the Project Site as GE and the Third-Party Developer deem necessary or desirable (the "Investigation Activities") to determine the suitability of the Project Site for the Project;

(c) The City shall have provided to GE and the Third-Party Developer (if the Third-Party Developer is acquiring title to the Project Site) such irrevocable commitments and assurances as GE and the Third-Party Developer require that the City will provide the Roadway Improvements in accordance with Section 3.3 herein and, pending completion of the Roadway

Improvements, such temporary access roads as GE and the Third-Party Developer deem necessary to begin construction at the Project Site, without unreasonable delay or impairment, immediately following delivery of the Deed;

(d) The City shall, acting both independently and by and through Huntsville Utilities, have provided to GE and the Third-Party Developer (if the Third-Party Developer is acquiring title to the Project Site) such irrevocable commitments and assurances as GE and the Third-Party Developer require that the City will provide at no cost to the Companies or the Third-Party Developer sewer and natural gas connections that GE deems necessary for the Project and upon terms, conditions and design standards acceptable to GE, immediately following delivery of the Deed;

(e) The City shall use its commercially reasonable good faith efforts to cause Athens Utilities and the Limestone County Water and Sewer Authority to provide to GE and the Third-Party Developer (if the Third-Party Developer is acquiring title to the Project Site) such irrevocable commitments and assurances as GE and the Third-Party Developer require that Athens Utilities and the Limestone County Water and Sewer Authority will provide at no cost to the Companies or the Third-Party Developer electric and water connections that GE deems necessary for the Project and upon terms, conditions and design standards acceptable to GE, immediately following delivery of the Deed; provided, that the Parties understand and agree that the City has no legal authority to require Athens Utilities and the Limestone County Water and Sewer Authority to act;

(f) GE and the Third-Party Developer (if the Third-Party Developer is acquiring title to the Project Site) have determined, in their sole and absolute discretion, that the Project Site is suitable for the Project based on review of the Due Diligence Information, the Investigation Activities and consideration of such other matters as GE and the Third-Party Developer deem pertinent;

(g) By December 31, 2015, the City and the Underlying Seller shall have amended the Option Agreement to extend the outside closing date thereunder to June 30, 2016;

(h) The IDB shall have executed and delivered the Deed to GE, or to ASCF or the Third-Party Developer if so designated by GE, on the closing date that GE designates (which closing date shall not be later than June 30, 2016), together with such other instruments, agreements, certifications and other documents as GE or ASCF or the Third-Party Developer and the Title Company reasonably request in connection with the conveyance of title to the Project Site, and the Title Company shall have irrevocably committed to issue its title insurance policy to GE (or to ASCF or the Third-Party Developer if ASCF or the Third-Party Developer is acquiring title to the Project Site) in form and substance, and containing such endorsements and removing such exceptions, as GE or ASCF or the Third-Party Developer, as the case may be, requires; and

(i) The City shall have delivered to the Companies an executed counterpart of this Agreement, duly executed by its respective duly authorized officer.

In the event that all of the conditions set forth in this Section 5.2 shall not have occurred by June 30, 2016 (the "Outside Date"), then this Agreement shall terminate and be of no further force and

effect, without any liability of any Party hereto to the other, unless the same is extended per written instrument executed by the Mayor, acting on behalf of the City, and Michael Kauffman (or any other authorized officer or signatory), acting on behalf of GE and ASCF, in which case the “Outside Date” shall be the last day of such extension. The said Mayor is hereby authorized and directed to execute any such extension up through and including June 30, 2016.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default by the City.

(a) Any one or more of the following shall constitute an event of default by the City under this Agreement (a “City Event of Default”) (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) the dissolution or liquidation of the City, or the filing by the City of a voluntary petition in bankruptcy, or the City seeking of or consenting to or acquiescing in the appointment of a receiver of all or substantially all of its property, or the adjudication of the City as a bankrupt, or any assignment by the City for the benefit of its creditors, or the entry by the City into an agreement of composition with its creditors, or if a petition or answer is filed by the City proposing the adjudication of the City as a bankrupt or its reorganization, arrangement or debt readjustment under any present or future federal bankruptcy code or any similar federal or state law in any court, or if any such petition or answer is filed by any other person and such petition or answer shall not be stayed or dismissed within 60 days; or

(ii) failure by the City to perform or observe any of its agreements or covenants contained in this Agreement, which failure shall have continued for a period of 60 calendar days after written notice thereof from the Companies, unless (A) the Companies shall agree in writing to an extension of such period prior to its expiration, or (B) during such 60-day period or any extension thereof, the City has commenced and is diligently pursuing appropriate corrective action and completes such corrective action within 120 days.

(b) If a City Event of Default occurs, this Agreement shall terminate and each of GE and ASCF shall have available to it all rights and remedies, both legal and equitable, provided by law (including without limitation specific performance or mandamus); provided, however, each such company shall not be entitled to any punitive, incidental or consequential damages, whether arising at law, in equity or otherwise.

Section 6.2 Events of Default by the Companies.

(a) Any one or more of the following shall constitute an event of default by the Companies under this Agreement (a “Company Event of Default”) (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) at any time prior to the completion by the Companies of their obligations and commitments hereunder, the dissolution or liquidation of either Company, or the filing by either Company of a voluntary petition in bankruptcy, or either Company seeking or consenting to or acquiescing in the appointment of a receiver of all or substantially all of its property, or the adjudication of either Company as a bankrupt, or any assignment by either Company for the benefit of its creditors, or the entry by either Company into an agreement of composition with its creditors, or if a petition or answer is filed by either Company proposing the adjudication of the Company as a bankrupt or its reorganization, arrangement or debt readjustment under any present or future federal bankruptcy code or any similar federal or state law in any court, or if any such petition or answer is filed by any other person and such petition or answer shall not be stayed or dismissed within 60 days. However, any reorganization in which ASCF is dissolved or liquidated and its assets and liabilities transferred to GE shall not constitute a Company Event of Default;

(ii) failure by either Company to timely pay any amount due from it hereunder; or

(iii) failure by either Company to perform or observe any of its agreements or covenants contained in this Agreement, other than as described in (ii) immediately above, which failure shall have continued for a period of 60 calendar days after written notice thereof from the City, unless (1) the City shall agree in writing to an extension of such period prior to its expiration, or (2) during such 60-day period or any extension thereof, the Company has commenced and is diligently pursuing appropriate corrective action and completes such corrective action within 120 days.

(b) During any period after the City has provided written notice to a Company specifying the existence of a Company Event of Default and during which the Company has failed to cure said Company Event of Default to the reasonable satisfaction of the City, the City shall not be required to perform any obligation hereunder. If a Company Event of Default exists, the City shall have all rights and remedies available to it hereunder, along with all rights and remedies, both legal and equitable, provided by law (including without limitation specific performance or mandamus); provided, however, the City shall not be entitled to any punitive, incidental or consequential damages, whether arising at law, in equity or otherwise.

Section 6.3 Remedies Subject to Applicable Law. All rights, remedies and powers provided in this Article VI may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article VI are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that the same will not render this Agreement invalid or unenforceable.

ARTICLE VII

MISCELLANEOUS PROVISIONS

Section 7.1 Severability; Enforceability. If any term or provision hereof shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever,

such provision shall be severed from this Agreement and shall not affect the validity of the remainder of this Agreement.

Section 7.2 Term. Unless sooner terminated in accordance with the terms hereof, the initial term of this Agreement shall expire on the last day of Project Year 11 (the "Term").

Section 7.3 Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the transactions described herein, and there are no representations, oral or written, relating to the transactions described herein which have not been incorporated herein. Any agreement hereafter made shall be ineffective to change, modify, or discharge this Agreement in whole or in part unless such agreement is in writing, and is signed by the Party against whom enforcement of any change, modification, or discharge is sought, and, further, such instrument is also signed by (i) Madison County, but only if such agreement changes, modifies or discharges any provision of Section 3.4(a) that affects the obligations of Madison County thereunder, and (ii) by Limestone County, but only if such agreement changes, modifies or discharges any provision of Section 3.4(a) that affects the obligations of Limestone County thereunder.

Section 7.4 Counterparts; Assignment.

(a) This Agreement may be executed in two or more counterparts, each of which shall constitute but one and the same agreement.

(b) This Agreement is not assignable by any Party hereto except upon the written consent of the other Parties hereto, not to be unreasonably withheld; provided, however, that each Company shall have the right at any time to assign all its respective rights and obligations in and to the Project and to transfer this Agreement or any part thereof to any financially solvent Affiliate of such Company that agrees to assume assigned obligations of the Company in and to the Project; and if so assigned, the Company shall continue to be responsible for the performance of the obligations of the assignee under this Agreement unless specifically excused therefrom by the City, to be expressed in writing and signed by an authorized representative of the City.

Section 7.5 Binding Effect; Governing Law. This Agreement shall inure to the benefit of, and shall be binding upon, the Parties hereto and their respective successors and assigns. This Agreement shall be governed exclusively by, and construed and interpreted in accordance with, the laws of the State of Alabama, without regard to conflicts of law provisions.

Section 7.6 Notices.

(a) All notices, demands, consents, certificates or other communications hereunder shall be in writing, shall be sufficiently given and shall be deemed given when delivered personally to the Party or to an officer of the Party to whom the same is directed, or mailed by registered or certified mail, postage prepaid, or sent by overnight courier, addressed as follows:

- (i) If to the City:

The City of Huntsville
308 Fountain Circle
8th Floor
Huntsville, AL 35801
Attn: City Attorney

- (ii) If to GE prior to Commencement of Operations:

GE Aviation
Attn: Value Stream Leader – Composites
1 Neumann Way
Cincinnati, Ohio 45215

If to GE after Commencement of Operations:

General Electric Company
GE Aviation
C/O GM, Composites Value Stream
1 Neumann Way, M/D E38
Cincinnati, Ohio 45215

With a copy to:

GE Aviation
Attn: General Counsel, Supply Chain
1 Neumann Way
Cincinnati, Ohio 45215

- (iii) If to ASCF:

C/O GE Aviation
Attn: VP – CMCs
1 Neumann Way
Cincinnati, Ohio 45215

With a copy to:

C/O GE Aviation
Attn: Secretary, Advance Silicone Carbide Fibers, LLC
1 Neumann Way
Cincinnati, Ohio 45215

(b) Any such notice or other document shall be deemed to be received as of the date delivered, if delivered personally, or as of 3 days after the date deposited in the mail, if mailed, or the next business day, if sent by overnight courier.

Section 7.7 Liabilities of the City. Any provision hereof to the contrary notwithstanding, the Parties agree and acknowledge that the obligations and commitments of the City as set forth herein are limited by the limitations imposed by the Alabama Constitution.

Section 7.8 Survival of Covenants. The covenants in this Agreement shall not terminate until they have been fully performed or have expired by their terms.

Section 7.9 No Waiver. No consent or waiver, express or implied, by any Party hereto to any breach or default by any other Party in the performance by such other Party of its obligations and commitments hereunder shall be valid unless in writing, and no such consent or waiver to or of one breach or default shall constitute a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligations or commitments of such Party hereunder. Failure on the part of any Party to complain of any act or failure to act of any other Party or to declare such other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder. The granting of any consent or approval in any one instance by or on behalf of any Party hereto shall be construed to be a waiver or limit the need for such consent in any other or subsequent instance.

Section 7.10 Venue.

(a) Subject to the provisions of Sections 6.1 and 6.2 of this Agreement, whenever any Party hereto shall default in the performance of any of its obligations or commitments under this Agreement, the other Parties hereto may take whatever legal proceeding (including actions for damages or for specific performance to the extent provided by law) as shall be necessary or desirable to enforce any agreement or condition contained herein or any other obligation of the defaulting Party imposed by law. The Parties hereto recognize, and will not object to, an action for specific performance.

(b) Each of the Parties irrevocably submits to the jurisdiction of the Alabama state courts sitting in Limestone County, Alabama (collectively, the “Courts”) over any suit, action or proceeding arising out of or relating to this Agreement or any transaction undertaken in connection therewith (an “Agreement Action”); and waives, to the fullest extent permitted by law, any objection or defense that such Party may now or hereafter have based on improper venue, lack of personal jurisdiction, inconvenience of forum or any similar matter in any Agreement Action brought in any of the Courts.

Section 7.11 No Partnership or Joint Venture. Nothing contained in this Agreement shall constitute or be construed to be a partnership or joint venture among the Parties and their respective permitted successors and assigns.

Section 7.12 Headings. The headings in the Sections in this Agreement are for convenience of reference only and shall not form a part hereof.

Section 7.13 No Third-Party Beneficiaries. This Agreement is intended only for the benefit of the signing Parties hereto, and neither this Agreement, nor any of the rights, interest, obligations or commitments hereunder, is intended for the benefit of any other person or third-party.

Section 7.14 Attorneys' Fees. If any Party shall be required to enforce this Agreement through the filing of any legal action, in addition to any other amounts due as provided herein, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs.

ARTICLE VIII **DEFINITIONS**

All initially capitalized terms not otherwise defined herein shall have the following meanings:

"Affiliate" of any specified entity shall mean any other entity directly or indirectly Controlling or Controlled by or under direct or indirect common Control with, or which directly or indirectly owns voting securities of an entity directly or indirectly Controlled by, such specified entity.

"Average Hourly Wage" shall be calculated by dividing total cash wages (including overtime pay and cash bonuses) paid to all Full-Time Employees, exclusive of benefits, by the number of total hours worked by all Full-Time Employees.

"Base Amount" shall mean, as of any date of computation, (\$3,500,000 – the total Land Payments as of such computation date) /10.

"Capital Costs" shall mean costs to develop, construct or equip the Project that are chargeable to a capital account (or could be chargeable if so elected) determined in accordance with generally accepted accounting principles.

"Commence Construction" or **"Commencement of Construction"** means the Project Site Possession Date has occurred and physical work is being performed consistently, using appropriate equipment and manpower to develop, construct and equip the applicable Phase of the Project and install necessary infrastructure to accomplish the objectives of the applicable Phase of the Project.

"Commence Operations" or **"Commencement of Operations"** shall mean that operations at the applicable Phase of the Project as described in the Recitals have commenced and that the applicable Phase of the Project is producing avionic engines, components, engine materials, or related products in commercial quantities, or is performing related services.

"Contract Employee" shall mean (a) an employee of a direct contractor of a Company who is paid by the direct contractor of a Company for working at the Project Site for not less than 40 hours per work week; or (b) a person working under a contract with a Company for working at the Project Site for not less than 40 hours per work week.

“Control” when used with respect to any entity means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “Controlling” and “Controlled” have meanings correlative to the foregoing.

“Full-Time Employee” shall mean a person (expressly excluding unskilled temporary labor, construction workers and individuals employed by entities providing temporary workers): (a) who is being paid directly by a Company or an Affiliate of a Company and is employed at the Project Site for not less than 40 hours per work week; (b) who has a primary residence in Alabama, evidenced by the home address in the records of a Company or an Affiliate of a Company, (c) who a Company or an Affiliate of a Company identifies as its employee to the U.S. Internal Revenue Service, the Alabama Department of Revenue on returns or reports filed with the foregoing; and (d) who is eligible to participate under such benefit plans as are generally applicable to employees holding positions of like kind and character within either a Company or an Affiliate of a Company within the United States of America. No employees of a Company or an Affiliate of a Company, employed in the State of Alabama (other than at the Project Site) at the time hired at, or transferred to, the Project Site shall constitute Full-Time Employees, except to the extent that a Company or an Affiliate of a Company certifies to the City with respect to any such employee (a “Transferred Employee”), that it has not eliminated the Transferred Employee’s previous position at another facility of a Company or an Affiliate of a Company within the State of Alabama and that a new employee has been hired at such other facility to fill substantially the same job and in the same pay category as that held by the Transferred Employee. Notwithstanding the foregoing, “Full-Time Employee” shall also mean a Contract Employee; provided, that in determining the total number of “Full-Time Employees” for purposes of the Jobs Commitment, no more than 10 “Contract Employees” may be counted as “Full-Time Employees.”

“Project Site Possession Date” shall mean the closing date under Section 5.2(h) of this Agreement.

“Project Year” shall mean a calendar year, except that Project Year 1 shall mean the period beginning on the Project Site Possession Date and ending on December 31, 2016.

[EXECUTION TO FOLLOW ON NEXT FOLLOWING PAGE]

IN WITNESS WHEREOF, the City, GE, and ASCF have each caused this Agreement to be duly executed in its name, under seal, and the same attested, all by officers thereof duly authorized thereunto, and have caused this Agreement to be dated the Effective Date.

"CITY":

CITY OF HUNTSVILLE, ALABAMA

ATTEST:

City Clerk

By: _____
Mayor

(SEAL)

"GE":

**GENERAL ELECTRIC COMPANY, a
New York corporation**

By: _____

Its: _____

"ASCF":

**ADVANCED SILICON CARBIDE
FIBERS, LLC, a Delaware limited liability
company**

By: _____

Its: _____

ACKNOWLEDGED AND AGREED

"MADISON COUNTY":

By: _____

Its: _____

"LIMESTONE COUNTY":

By: _____

Its: _____

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that Tommy Battle, whose name, as Mayor of the City of Huntsville, an Alabama municipal corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, he, as such officer, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

GIVEN under my hand and official seal this _____ day of _____, 20__.

(SEAL)

Notary Public
My Commission Expires: _____

STATE OF _____)
COUNTY OF _____)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that _____, whose name, as _____ of General Electric Company, a New York corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, he, as such officer, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

GIVEN under my hand and official seal this _____ day of _____, 20____.

(SEAL)

Notary Public
My Commission Expires: _____

STATE OF _____)
COUNTY OF _____)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that _____, whose name, as _____ of Advanced Silicon Carbide Fibers, LLC, a Delaware limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, he, as such officer, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

GIVEN under my hand and official seal this _____ day of _____, 20____.

Notary Public

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that _____, whose name, as _____ of the Madison County Commission, a political subdivision of the State of Alabama, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, he, as such officer, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

GIVEN under my hand and official seal this _____ day of _____, 20____.

(SEAL)

Notary Public
My Commission Expires: _____

STATE OF ALABAMA)
 :
COUNTY OF LIMESTONE)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that _____, whose name, as _____ of the Limestone County Commission, a political subdivision of the State of Alabama, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, he, as such officer, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

GIVEN under my hand and official seal this _____ day of _____, 20____.

(SEAL)

Notary Public
My Commission Expires: _____

EXHIBIT A

PROJECT SITE

STATE OF ALABAMA
COUNTY OF LIMESTONE

All that part of Section 3, Township 5 South, Range 3 West of the Huntsville Meridian, Limestone County, Alabama more particularly described as follows:

Commencing at a railroad spike in the centerline, more or less of Swancott Road, said railroad spike purported to be the southwest corner of the northwest corner of Section 3, Township 5 South, Range 3 West; thence the following courses; S89°10'56"E, 3637.92 feet; NS38°05'46"E, 1244.39 feet; N01°09'06"E, 660.39 feet; S89°09'55"E, 410.51 feet N01°09'06"E, 660.39 feet and N01°11'47"E, 1007.11 feet to TVA monument no. 187 found on the boundary of Wheeler Reservation and being the point of beginning; thence S01°11'47"W, along the Wheeler Reservation boundary, a distance of 1007.11 feet to a 1-1/4" open end pipe found; thence N89°09'55"W, continuing along the Wheeler Reservation boundary, distance of 410.51 feet to a 2" open end pipe found; thence S01°09'06"E, continuing along the Wheeler Reservation boundary, a distance of 660.39 feet to a 1" open end pipe found; thence S38°05'46"W, continuing along the Wheeler Reservation boundary, a distance of 1244.39 feet to a 1-1/4" open end pipe found, said 1-1/4" open end pipe being on the northerly boundary of the land conveyed to George L. McCrary, Jr. as recorded in Fiche 2001, Page 4834 in the Office of the Judge of Probate of Limestone County, Alabama; thence N89°10'56"W, along the McCrary's northerly boundary, a distance of 860.49 feet to a G. W. Jones & Sons 5/8" rebar (cap partially missing), found at the southeast corner of Lot 2 of Chase Farm at Greenbrier, Phase 2 as recorded in Plat Book "H", Page 12 in the Office of the Judge of Probate of Limestone County, Alabama; thence N00°50'49"E, along the easterly boundary of said Lot 2, a distance of 949.97 feet to a 5/8" rebar found at the northeast corner of said Lot 2; thence N00°11'21"W, a distance of 852.12 feet to a 5/8" rebar set and stamped "Littlejohn CA-1039-LS"; thence N00°23'34"E, a distance of 852.13 feet to TVA monument no. 20 found on the boundary of Wheeler Reservation; thence S89°16'41"E, along the Wheeler Reservation boundary, a distance of 2056.02 feet to the point of beginning and containing 100.00 acres, more or less.

The above described tract is made, subject to all easements, rights-of-way and servitudes of record.

Exhibit A

EXHIBIT B

ZONING

See Attached

Exhibit B



HUNTSVILLE

Michelle Gilliam Jordan, AICP
Director
Planning Department

Department of Urban Development

September 21, 2015

Attn: Brent Woodruff

Re: Project Badge

To Whom It May Concern:

Based on the attached document, which was reviewed on August 14th, the requested use would be permitted in a Commercial Industrial Park Zoning District. To view the complete City of Huntsville Zoning Ordinance to include the permitted uses for a Commercial Industrial Park Zoning District (reference Article 44.1), please refer to <http://www.huntsvilleal.gov/Planning/ZonOrd/ZonOrd.pdf>. If there are any further questions, please feel free to contact Zoning Administration at (256) 564-8008.

Respectfully,

Jim McGuffey
Manager of Planning Services

The Star of Alabama

Project Badge – Zoning Considerations & Additional Information

The Project Badge Team plans to construct a new manufacturing facility to produce high volume Silicon Carbide Fiber (i.e., manmade organic fiber), and Prepreg Tape (i.e., chemical processing) to support Ceramic Matrix Composite part manufacturing. The Land Use or assigned Zoning District will need to compliment the intended manufacturing process. Chemical ingredients stored and consumed on-site are listed chemicals in quantities which require compliance with OSHA 1910.119 (PSM). Building construction will comply with local codes and regulations including but not limited to the following: International Building Code (IBC 2003), National Electric Code (NEC 2003), National fire Code (NFPA).

General Building and Manufacturing Descriptions are as follows:

- A) Building footprint Includes three conjoined facilities consisting of:
 - a. Fiber Building: ~160k SF including ~5% or 9k SF of office/isle or common area space.
 - b. Office Building: ~40k SF
 - c. Tape Building: ~190k SF including ~1% or 2k SF of office/isle or common area space.
 - d. Utility Building: ~10k SF (separate building)
 - e. Warehouse - : ~20k – 25k SF within both the Tape and Fiber buildings

Note: ~51k SF or ~15% of total building area could be considered as non-manufacturing space.

All remaining space is considered manufacturing. We want to make sure that our percentage of manufacturing space is within the proposed zoning classification.

- B) Buildings will support and compliment the following manufacturing processes:
 - a. Solution Polymerization
 - b. Polymer Spinning
 - c. High Volume Fiber Curing, Winding, and Handling
 - d. Chemical Deposition
 - e. Slurry Preparation
 - f. Prepreg Production
 - g. Infrastructure to Support Continuous High Volume Production including but not limited to; Tank Farm for raw material Liquid and Gas Storage, QA/QC Laboratories, Power & Utilities, Pilot Part Production, Storage, Shipping, Offices & other Common Areas.
- C) Building Occupancy includes:
 - a. Assembly Group: Cafeteria
 - b. Business Group: Office and Meeting areas <50 people
 - c. Factory & Industrial: General Process Areas
 - d. High Hazard: Toxic, flammable or combustible liquids used or stored
 - e. Storage Group: Logistics – Storage not classified as hazardous occupancy.
 - f. Mixed Uses Accessory: Ancillary to main occupancy <10% of building area, example Locker Room Areas

- D) Air permit – The Project Badge Team anticipates a minor synthetic source. Further analysis is required to confirm. Future expansion plans are not incorporated into this initial estimate.
- E) Manufacturing Processes – Outside of the tank Farm all of the other activities are contained within the facility with the exception of an external electrical substation, cooling water tower and other miscellaneous equipment.
- F) Tank Farm - A “tank farm,” will be installed at the rear of the buildings, though the exact location has not been finalized at this time. The initial estimates indicate approximately 25k to 30k sf for the tank farm with tallest tank approximately 20’ to 30’ high

City of Huntsville Zoning Considerations – Chapter/Articles Referenced in parentheses:

The site under consideration is currently Zoned Commercial and will require rezoning to meet Project Badge’s use.

1. Underground Cabling: Above ground Pipe Bridge is planned between chemical storage areas, mechanical building, and main manufacturing buildings and will contain piping, cable tray, and cable for power and communications (44.9).
2. Odor: Ammonia will be stored and consumed on-site. Extensive efforts will be made to limit fugitive emissions (50.2.2).
3. Road Frontage: Access road to the site remains under discussion. Potential exists to not have the requisite 100 feet of frontage (44.4).
4. The Project Badge Team believes Article 45 Heavy Manufacturing aligns with the facility manufacturing requirements. Please either confirm this interpretation, or advise which Zoning Ordinance is best suited to meet the required manufacturing needs as indicated above.

EXHIBIT C

JOBS COMMITMENT

	Project Year 1	Project Year 2	Project Year 3	Project Year 4	Project Year 5	Project Year 6	Project Year 7	Project Year 8	Project Year 9	Project Year 10	Project Year 11
Target Employment Level	0	60	100	130	160	217	251	298	298	298	298
Minimum Employment Level (i.e., 90% of Target Employment Level)	0	54	90	117	144	195	226	268	268	268	268
Minimum Average Hourly Wage	N/A	\$23.55	\$23.55	\$23.55	\$23.55	\$23.55	\$23.55	\$23.55	\$23.55	\$23.55	\$23.55

Exhibit C

EXHIBIT D

FORM OF JOBS COMMITMENT CERTIFICATION

**JOBS COMMITMENT CERTIFICATE
RESPECTING
PROJECT YEAR ____**

I, _____, in my capacity as the _____ of **GENERAL ELECTRIC COMPANY**, a New York corporation ("GE"), do hereby certify to the **CITY OF HUNTSVILLE, ALABAMA**, an Alabama municipal corporation (the "City"), in accordance with the provisions of that certain Project Development Agreement dated _____, 2015, by and among the City, GE, and Advanced Silicon Carbide Fibers, LLC (the "Project Development Agreement"), as follows:

1. This certificate is being delivered with respect to Project Year ____ (the "Applicable Project Year").

2. The number of Full-Time Employees employed at the Project Site for the Applicable Project Year is _____.

3. The Average Hourly Wage for the Applicable Project Year is \$ _____.

4. The employment level and Average Hourly Wage information provided in this certificate is calculated in accordance with all applicable provisions of the Project Development Agreement (including all exhibits attached thereto).

5. Capitalized terms used herein and not otherwise defined shall have the meanings given to such terms in the Project Development Agreement (including all exhibits thereto).

IN WITNESS HEREOF, the undersigned has executed and delivered to the City this certificate this ____ day of _____, 20__.

GENERAL ELECTRIC COMPANY, a
New York corporation

By: _____
Name: _____
Its: _____

EXHIBIT E
FORM OF DEED

See Attached

Exhibit E

STATE OF ALABAMA

Send Tax Notice To:

COUNTY OF LIMESTONE

KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of One Hundred and no/100 Dollars (\$100.00) and other good and valuable consideration, to the undersigned THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE, an Alabama public corporation, herein referred to as Grantor, in hand paid by the Grantee herein, the receipt of which is hereby acknowledged, the said Grantor does by these presents grant, bargain, sell and convey unto _____, a _____, herein referred to as Grantee, the following described real estate lying and being in the County of Limestone, State of Alabama, to-wit:

See attached Exhibit "A," which is incorporated herein by reference.

Subject to the permitted exceptions set forth in attached Exhibit "B," which is incorporated herein by reference.

TO HAVE AND TO HOLD to the said Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, the Grantor has caused this Statutory Warranty Deed to be signed in its behalf by its Chairman and attested by its Secretary, this ____ day of _____, 2015.

THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY
OF HUNTSVILLE

By: _____
W.F. Sanders, Jr., Chairman

ATTEST:

Donald C. Cherry, Jr., Secretary of The Industrial
Development Board of The City of Huntsville

STATE OF ALABAMA
COUNTY OF MADISON

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that W.F. Sanders, Jr. and Donald C. Cherry, Jr., whose names as Chairman and Secretary, respectively, of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE, an Alabama public corporation, are signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of this instrument, they, as such officers and with full authority, executed the same for and as the act of said City of Huntsville, an Alabama municipal corporation, as of the day the same bears date.

Given under my hand and official seal this the ____ day of _____, 2015.

NOTARY PUBLIC
My commissioner expires: _____

Pursuant to and in accordance with Section 40-22-1 of the Code of Alabama (1975), the following information is offered in lieu of submitting Form RT-1:

Grantor's Address: 225 Church Street, Huntsville, Alabama 35801
Grantee's Address:
Property Address: +/-100.00 acres located in Limestone County, Alabama
Purchase Price: \$100.00 and other good and valuable consideration
Assessor's Appraised Value: \$

This Instrument Prepared By:
Samuel H. Givhan
Attorney for Grantor
Wilmer & Lee, P.A.
100 Washington Street
Huntsville, Alabama 35801

U:\SAM\CITY\DEEDS\BADGE\SWD IDB GRANTOR.DOCX

EXHIBIT "A"
LEGAL DESCRIPTION

STATE OF ALABAMA
COUNTY OF LIMESTONE

All that part of Section 3, Township 5 South, Range 3 West of the Huntsville Meridian, Limestone County, Alabama more particularly described as follows:

Commencing at a railroad spike in the centerline, more or less of Swancott Road, said railroad spike purported to be the southwest corner of the northwest corner of Section 3, Township 5 South, Range 3 West; thence the following courses; S89°10'56"E, 3637.92 feet; NS38°05'46"E, 1244.39 feet; N01°09'06"E, 660.39 feet; S89°09'55"E, 410.51 feet N01°09'06"E, 660.39 feet and N01°11'47"E, 1007.11 feet to TVA monument no. 187 found on the boundary of Wheeler Reservation and being the point of beginning; thence S01°11'47"W, along the Wheeler Reservation boundary, a distance of 1007.11 feet to a 1-1/4" open end pipe found; thence N89°09'55"W, continuing along the Wheeler Reservation boundary, distance of 410.51 feet to a 2" open end pipe found; thence S01°09'06"E, continuing along the Wheeler Reservation boundary, a distance of 660.39 feet to a 1" open end pipe found; thence S38°05'46"W, continuing along the Wheeler Reservation boundary, a distance of 1244.39 feet to a 1-1/4" open end pipe found, said 1-1/4" open end pipe being on the northerly boundary of the land conveyed to George L. McCrary, Jr. as recorded in Fiche 2001, Page 4834 in the Office of the Judge of Probate of Limestone County, Alabama; thence N89°10'56"W, along the McCrary's northerly boundary, a distance of 860.49 feet to a G. W. Jones & Sons 5/8" rebar (cap partially missing), found at the southeast corner of Lot 2 of Chase Farm at Greenbrier, Phase 2 as recorded in Plat Book "H", Page 12 in the Office of the Judge of Probate of Limestone County, Alabama; thence N00°50'49"E, along the easterly boundary of said Lot 2, a distance of 949.97 feet to a 5/8" rebar found at the northeast corner of said Lot 2; thence N00°11'21"W, a distance of 852.12 feet to a 5/8" rebar set and stamped "Littlejohn CA-1039-LS"; thence N00°23'34"E, a distance of 852.13 feet to TVA monument no. 20 found on the boundary of Wheeler Reservation; thence S89°16'41"E, along the Wheeler Reservation boundary, a distance of 2056.02 feet to the point of beginning and containing 100.00 acres, more or less.

The above described tract is made, subject to all easements, rights-of-way and servitudes of record.

EXHIBIT "B"
PERMITTED EXCEPTIONS

1. Taxes and assessments for 2014/2015 and subsequent years, which are a lien, but not yet due and payable.
Parcel #18-02-03-0-000-002.000
2. Coal, oil, gas, and other mineral interests and rights relating thereto in, to, or under that are not owned by Grantor.
3. Those matters reflected and/or referenced in that certain survey prepared by Littlejohn Engineering, dated _____, 2015, and identified as Work No.: _____, including, but not limited to, the following:
 - (a) ;
 - (b) ;
 - (c); and
 - (d).
4. Utility and drainage easement to the City of Huntsville, dated March 31, 1998, and filed in Fiche 98372, Page 56, Probate Records of Limestone County, Alabama.
5. Utility and drainage easement to the City of Huntsville, dated October 3, 2011, and filed in RLPY 2011, Page 62149, Probate Records of Limestone County, Alabama.
6. Conditions, easements and matters of plat of Chase Farm at Greenbrier, Phase 4, as recorded in the Probate Records of Limestone County, Alabama, in Plat Book _____, Page _____.

EXHIBIT F
ROADWAY IMPROVEMENTS

See Attached

Exhibit F

**CHASE FARM BOULEVARD
 EXTENSION
 CHASE FARM AT GREENBRIER**

SHEET NO.		100000
DATE		10/01/13
BY		AWB
CHECKED BY		AWB
APPROVED BY		AWB
SCALE		AS SHOWN
SHEET TOTAL		1 OF 1

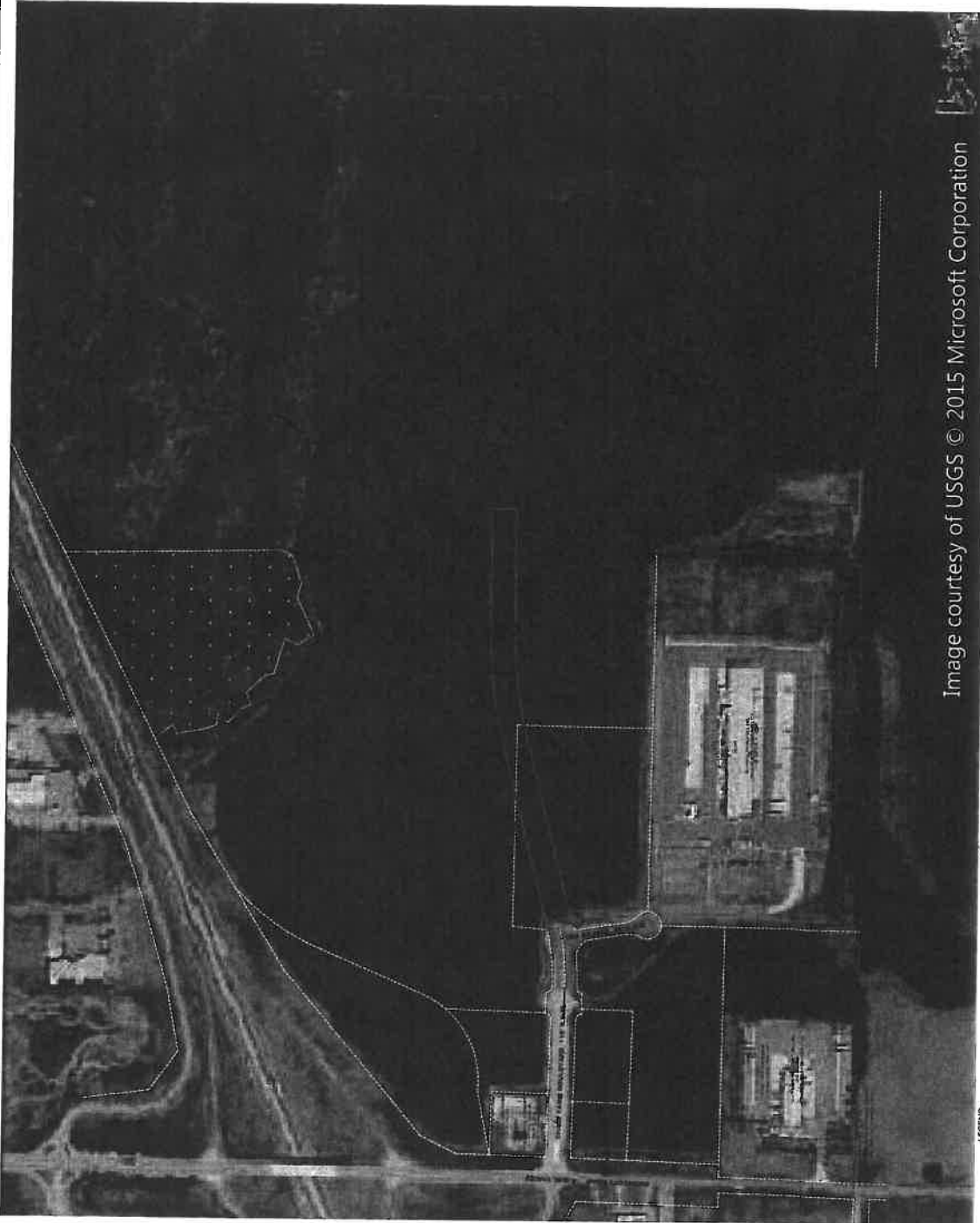


Image courtesy of USGS © 2015 Microsoft Corporation

LEGEND
 (P) FIELD MEASUREMENT
 (P) PLAT MEASUREMENT
 (D) DEED MEASUREMENT

SCALE 1"=100'

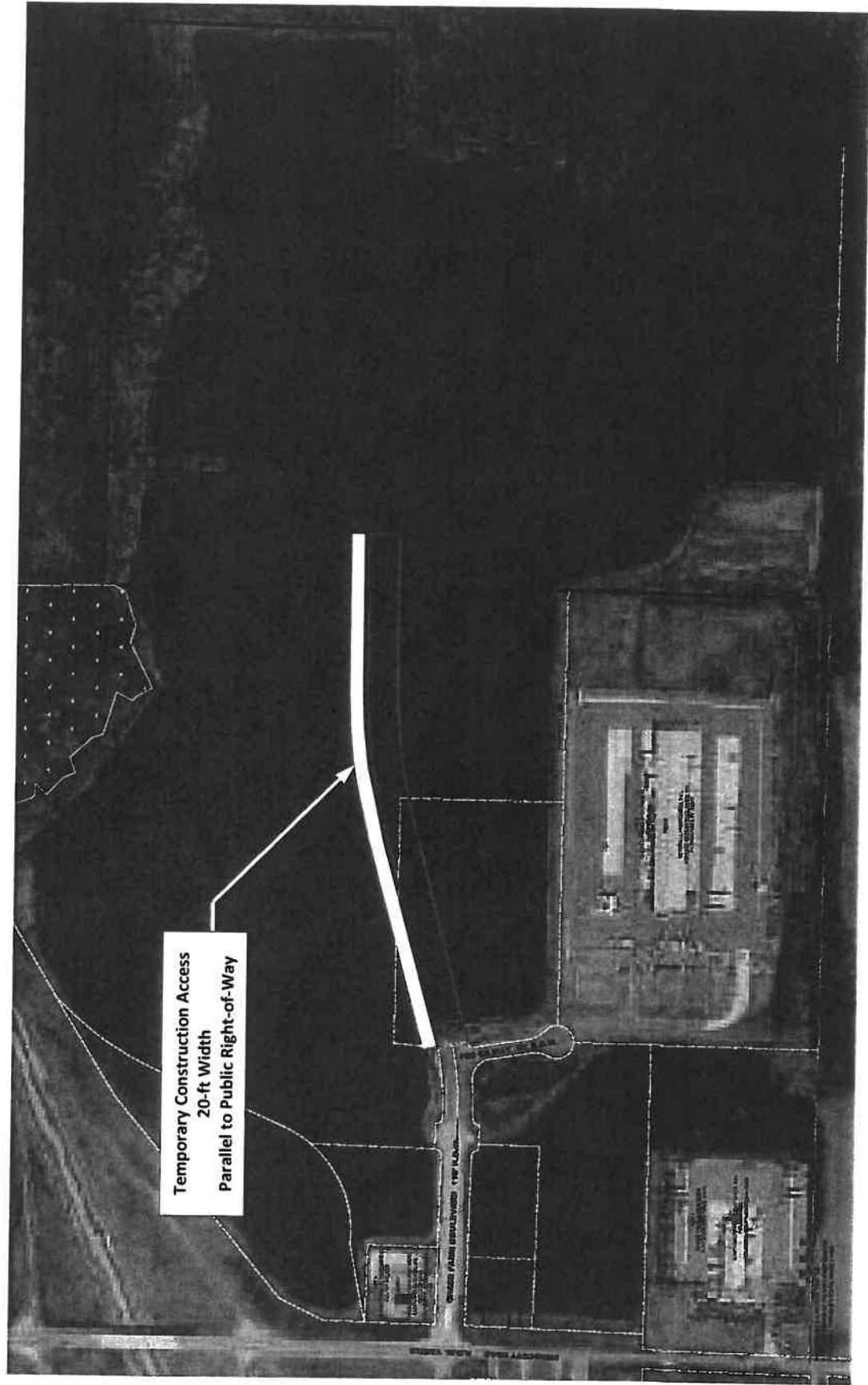
EXHIBIT G

TEMPORARY ACCESS TO PROJECT SITE

See Attached

Exhibit G

Project Badge – Temporary Site Access for Construction



ROUTING SLIP CONTRACTS AND AGREEMENTS

Originating Department: Administration

Council Meeting Date: 12/3/2015

Department Contact: John Hamilton

Phone # 427-5000

Contract or Agreement: Project Development Agreement with General Electric

Document Name: Project Development Agreement with General Electric

City Obligation Amount:

Total Project Budget:

Uncommitted Account Balance:


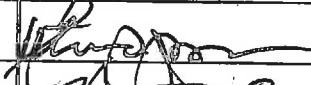


Account Number:

Procurement Agreements

<u>Not Applicable</u>	<u>Not Applicable</u>
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Grant-Funded Agreements

<u>Not Applicable</u>	Grant Name:
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Department	Signature	Date
1) Originating		
2) Legal		11-30-13
3) Finance		12/1/15
4) Originating		
5) Copy Distribution		
a. Mayor's office (1 copies)		
b. Clerk-Treasurer (Original & 2 copies)		